

Good morning. My name is Marie Lenane. I am the Policy Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 349.00: Rates for Early Intervention Program Services, which will amend rates purchased by the Department of Public Health (DPH) and MassHealth.

Massachusetts General Laws, Chapter 118E, Section 13D requires the Secretary of the Executive Office of Health and Human Services to establish rates of payment by regulation for social service programs. The effective date for the proposed amendments to the regulation is July 1, 2022.

The rates for Early Intervention program services are being updated to include an increase by a cost adjustment factor (CAF) of 1.41%. The CAF is based on Global Insight's spring 2021 cost projections data, at the optimistic level. The CAF is prospective and calculated from the fiscal year 2022 quarter 2, and projects through the prospective period of FY23 and FY24. In addition to the CAF, the proposed rates incorporate staff salaries benchmarked to the most recent, May 2020, Bureau of Labor Statistics; paid time off calculations in the rates have been benchmarked to the Purchase of Service, Chapter 257 standards; and there are updates to the tax and fringe rate, occupancy, consultant services, other program expenses, and supplies and

materials, which are based on the FY20 Uniform Financial Reports. The proposed rates would be effective for dates of service on or after July 1, 2022.

The total estimated FY23 annualized fiscal impact of the proposed amendments is approximately \$2.6M, which is based upon FY20 spending of approximately \$69.1M. The estimated fiscal impact to the MassHealth program is \$1.4M and the estimated fiscal impact to DPH is \$1.2M. These amendments represent an increase of approximately 3.84% over FY20 spending.

This concludes my testimony. Thank you.